

Valecha Infrastructure Limited

**“Valecha Chambers”,
4th Floor, Andheri New Link Road,
Andheri (West),
Mumbai – 400 053.**

Annual Report

FY : 2014-15



D. M. Jani & Co.

CHARTERED ACCOUNTANTS

Chaman Chamber, 3rd Floor, 10A, Cinema Road,
Dhobi Talao, Mumbai - 400 020

Off. : 2201 6906/ 2205 0752 • E-mail : dmjani@vsnl.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Valecha Infrastructure Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Valecha Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For M/s.D. M. Jani & Company
Chartered Accountants
Firm Regn. No: 104047W

Dilip M. Jani

Dilip M. Jani
Proprietor
Membership Number 17239



Place: Mumbai
Date: 28th May, 2015.

Valecha Infrastructure Limited

Annexure to Independent Auditors' Report for the period ended March 2015
(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) Fixed Assets

There is no physical fixed assets in the company. Fixed assets includes only Capital Work in Progress.

(ii) Inventories

There was no inventory lying as on 31st march 2015 and accordingly, the provisions of Clauses 2 of Para 1 of the Report on Other Legal & Regulatory Requirement are not applicable to the company.

(iii) Loans given

The Company has granted and taken loans Secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(b) In respect of the aforesaid loans and interest thereon, there is no overdue amounts.

(iv) Internal Control

According to the information and explanations given to us and in our opinion, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchase of project material and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. However, the same needs to be strengthened.

(v) Public Deposit

In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public, therefore, paragraph 1 (v) of the order is not applicable.

(vi) Cost Records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

(vii) Statutory Dues

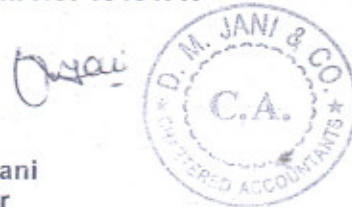
a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing its undisputed statutory dues including Provident Fund, investor education and protection fund, Employees State insurance, Income Tax, Service tax and any other Statutory dues with the appropriate authorities. There is no undisputed dues payable, outstanding as on 31st March, 2015.

b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.



- c) There was no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) The Company has no accumulated losses as at 31st March 2015 and it has incurred cash losses in the financial year ended on 31st March 2015 and there was no cash losses incurred during financial year ended 31.03.2014.
- (ix) In our opinion and according to the information and explanations give to us, the company has not defaulted in repayment of dues to a financial institutions and Banks.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For M/s.D. M. Jani & Company
Chartered Accountants
Firm Regn. No: 104047W



Dilip M. Jani
Proprietor
Membership Number 17259

Place: Mumbai

Date: 28th May, 2015.

Valecha Infrastructure Limited
Balance Sheet as at 31-03-2015

(Amount in INR)

Particulars		Note No	As at 31st Mar, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a)	Share capital	1	5,00,000	5,00,000
(b)	Reserves and surplus	2	3,34,74,072	3,34,82,345
2 Non-current liabilities				
(a)	Long-term borrowings	3	50,00,00,000	7,25,00,000
3 Current liabilities				
(a)	Short-term borrowings	4	1,20,31,16,266	1,57,79,02,671
(b)	Other current liabilities	5	67,74,736	13,26,970
TOTAL			1,74,38,65,074	1,68,57,11,986
II. ASSETS				
1 Non-current assets				
(a)	Fixed assets			
(i)	Capital work-in-progress	6	20,05,45,469	14,62,03,361
(b)	Non-current investments	7	1,46,47,26,242	1,46,47,26,242
2 Current assets				
(a)	Cash and cash equivalents	8	51,48,018	2,13,076
(b)	Short-term loans and advances	9	7,34,10,345	7,45,69,307
(c)	Other Current assets	10	35,000	-
TOTAL			1,74,38,65,074	1,68,57,11,986

The notes form an integral part of these financial statements

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants

Dilip M. Jani



Dilip.M.Jani

Proprietor

Place : Mumbai.

Date : 28th May, 2015

Sank
Director

[Signature]
Director

For and on behalf of the Board

Valecha Infrastructure Limited
Statement of Profit & Loss for the year ending 31-03-2015

(Amount in INR)

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
I. Revenue from operations		-	-
II. Other income	11	3,50,000	43,45,120
III. Total Revenue (I + II)		3,50,000	43,45,120
IV. Expenses:			
Other expenses	12	3,58,273	33,708
Total expenses		3,58,273	33,708
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(8,273)	43,11,412
VI. Exceptional items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		(8,273)	43,11,412
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII- VIII)		(8,273)	43,11,412
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit / (Loss) for the period		(8,273)	43,11,412
XII Earnings per equity share:			
(1) Basic		(0.17)	86.23
(2) Diluted		(0.17)	86.23

The notes form an integral part of these financial statements

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants




Dilip.M.Jani

Proprietor

Place : Mumbai.

Date : 28th May, 2015.

For and on behalf of the Board



Director



Director

Valecha Infrastructure Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

	As at 31.03.2015	As at 31.03.2014
A Cash flow from Operating Activity		
Profit Before Tax and Extraordinary Item	(8,273)	43,11,412
Add / (Deduct) Adjustment for :		
Interest Received		
Operating Profit before working capital changes	(8,273)	43,11,412
Increase in Current Liabilities	54,47,766	(5,17,697)
Increase in Short Term Loans and Advances	11,58,961	7,59,330
Increase in Other Current Assets	(35,000)	
Net Cash Flow from Operating Activity	65,63,454	45,53,045
B Cash Flow from Investing Activity		
Capital work in progress	(5,43,42,108)	(1,39,90,703)
Purchase of Investments	0	5,00,000
Net Cash flow From Investing Activity	(5,43,42,107)	(1,34,90,703)
C. Cash Flow from Financing Activities		
Proceeds from Short term borrowing	(37,47,86,405)	5,16,24,123
Proceeds from Long term borrowing	42,75,00,000	(4,25,00,000)
Net Cash From Financing Activities	5,27,13,595	91,24,123
Net Increase in Cash and Cash Equivalents	49,34,942	1,86,465
Opening Balance of Cash and Cash Equivalents	2,13,076	26,611
Closing Balance of Cash and Cash Equivalents	51,48,018	2,13,076

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants




Dillip.M.Jani

Proprietor

Place : Mumbai.

Date : 28TH May, 2015

For and on behalf of the Board



Director



Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2015

Note 1: Share capital		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
(I) Authorised Share Capital			
20,00,000 Equity Shares of Rs 10 each		2,00,00,000	2,00,00,000
40,00,000 Preference Shares of Rs 10 each		4,00,00,000	4,00,00,000
		<u>6,00,00,000</u>	<u>6,00,00,000</u>
(II) Issued Share capital			
50,000 Equity Shares of Rs 10 each		5,00,000	5,00,000
	Total	5,00,000	5,00,000
(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period			
Opening no. of	50,000 Equity Shares of Rs 10.00 each allotted as fully paid	5,00,000	5,00,000
Issued during the period-	Nil		
Outstanding at the end of the period-	50,000 Equity Shares of Rs 10.00 each allotted as fully paid	5,00,000	5,00,000
(IV) Share Holding Pattern-Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary Company :			
Valecha Engineering Limited (Holding Company) - C. Y. 50,000 Equity Shares of Rs 10 each (P. Y. 50,000 Equity Shares of Rs 10 each) 100 % Holding			
(V) Terms / Rights attached to Shares:			
(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.			
(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			

Note 2: Reserves and surplus		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
(I) Profit & Loss A/c			
Opening Balance	3,34,82,345		2,91,70,933
Profit/(Loss) for the year	-8,273	3,34,74,072	43,11,412
	Total	3,34,74,072	3,34,82,345

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2015

Note 3: Long-term borrowings	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(i) Term Loan	50,00,00,000	
From Banks (Secured) (Term Loans against the Pledge of shares, Immovable Property)		
From others (Secured) (Term Loans against the Pledge of shares)		7,25,00,000
Total	50,00,00,000	7,25,00,000

Note 4: Short-term borrowings	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(i) Loans & Advances from related parties		
Unsecured	1,20,31,16,266	1,57,79,02,671
Total	1,20,31,16,266	1,57,79,02,671

Note 5: Other current liabilities	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(i) Other Payables		
a Statutory remittances	15,03,500	34,271
b Interest Payable	49,31,507	
c Others	3,39,729	12,92,699
Total	67,74,736	13,26,970

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2015

Note 6: Fixed Assets - Capital Work in Progress		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
(I) Preoperative Expenses		20,05,45,469	14,62,03,361
	Total	20,05,45,469	14,62,03,361

Note 7: Non-current investments		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
(I) Investment (at Cost - Fully Paid)			
a Investment in Equity Shares of Subsidiaries - Unquoted			
i Investment in Valecha Badwani Sendhwa Tollways Limited (37,00,000 Equity Shares Face Value of Rs 10 Each)	3,70,00,000		3,70,00,000
ii Investment in Valecha LM Toll Private Limited (74,00,000 Equity Shares Face Value of Rs 10 Each)	7,40,00,000		7,40,00,000
b Investment in Equity Shares of other entity - Quoted			
i Investment in Jyoti Structures Limited (54,31,400 Equity Shares Face Value of Rs 2 Each)	83,26,26,242		83,26,26,242
c Investment in Debentures of subsidiary - Unquoted			
i Investment in CCD - Valecha LM Toll Private Limited (3,73,10,000 CCD Face Value of Rs 10 Each)	37,31,00,000		37,31,00,000
ii Investment in Valecha Badwani Sendhwa Tollways Limited (1,48,00,000 CCD Face Value of Rs. 10 Each)	14,80,00,000		14,80,00,000
	Total	1,46,47,26,242	1,46,47,26,242
Market value of quoted investments		13,95,86,980	17,48,91,080

Note 8: Cash and cash equivalents	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
(I) Cash on Hand		118
(II) Balances with Banks - (In Current Accounts)	51,48,018	2,12,953
Total	51,48,018	2,13,076

Note 9: Short-term loans and advances	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
(i) Loans & Advances to related parties	7,34,10,345	7,45,69,307
Total	7,34,10,345	7,45,69,307

Note 10: Other Current Assets	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
(I) TDS Receivable	35,000	-
Total	35,000	-

Note 11: Other income	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Income from Dividend	-	43,45,120
(II) Consultancy Fees Recd.	3,50,000	-
Total	3,50,000	43,45,120

Note 12: Other expenses	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Payment to Auditors	33,708	33,708
(II) Other Expenses	3,24,565	-
Total	3,58,273	33,708.00

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2015

NOTES TO THE FINANCIAL STATEMENTS

(13) Significant Accounting Policies:

A. The commercial activity of company is yet to commence. However there is a receipt of Other income during the year, hence the Profit & Loss accounts has been prepared.

B. Basis of Preparation of Accounts:

i. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, subject to what is stated herein below, as adopted consistently by the Company.

ii. The Company follows accrual system of accounting except otherwise stated.

C. Investments:

Long term Investments are stated at cost.

(14) Contingent Liability:

Corporate Guarantee issued in favour of the Lenders on behalf of their subsidiary towards the Project Finance of the Toll Project. Loan amount outstanding as at 31.03.2015 was Rs. 2,11,00.00 Lacs (Previous year Rs. 2,11,00.00 Lacs)

(15) Segment reporting:

There is no segment to be reported hence the AS-17 is not applicable.

(16) Related Party Disclosure:

A) The Name of related parties with the nature of relationship :

Promoters & Associates	Relationship
Valecha Engineering Limited	Holding Company
Valecha LM Toll Pvt. Ltd.	Subsidiary Company (74% Holding)
Valecha Badwani Sendhwa Tollways Limited	Subsidiary Company (74% Holding)
Valecha Kachchh Toll Roads Ltd.	Associates
Valecha Power Ltd.	Associates
Valecha Reality Ltd.	Associates

Key Management Personnel	Relationship
Mr. Jagdish K. Valecha	Director
Mr. Dinesh H. Valecha	Director
Mr. Umesh H. Valecha	Director

B) Transaction with the Related Parties

a. Promoters & Associates

(Rs. In Lacs)

Nature of Transaction	2014-15	2013-14
Equity Capital by Holding Company	5.00	5.00
Equity Capital in Subsidiary Company	1110.00	1110.00
Investment in CCD in Subsidiary Company	5211.00	5211.00
Advance Outstanding Receivable	745.46	745.31
Advance Outstanding Payable	12044.90	15781.03

b. Key Management Personnel – Transaction Nil

(17) Remuneration to Auditor:

(Amt in Rs.)

Sl. No.	Detail	2014-2015	2013-2014
1	Audit Fee	30,000	30,000
2	Service Tax	3,708	3,708
	Total	33,708	33,708

(18) The previous years' figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For D. M. JANI & CO.
Chartered Accountants



DILIP. M. JANI
(Proprietor)



(Director)



(Director)

Place : Mumbai

Date : 28th May, 2015.



D. M. Jani & Co.

CHARTERED ACCOUNTANTS

Chaman Chamber, 3rd Floor, 10A, Cinema Road,
Dhobi Talao, Mumbai - 400 020

Off. : 2201 6906/ 2205 0752 • E-mail : dmjani@vsnl.com

Independent Auditors' Report

To The Members of

Valecha Infrastructure Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements (the "Consolidated Financial Statements") of Valecha Infrastructure Limited ("the Company") and its subsidiaries hereinafter refer to as the "Group", which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Companies preparation and presentation of the Consolidated Financial Statements that give a true and fare view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements..

Opinion :

7. We Report that the Consolidated Financial Statements have been prepared by the Companies Management in accordance with the requirements of Accounting Standards (AS) 21 – Consolidated Financial Statements. According to the information and



explanations given to us, proper books of account as required by law have been kept by the Company.

8. Based on our audit and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at March 31, 2015 and its consolidated loss and consolidated cash flow for the year ended on that date.

Other Matters

9. We have relied on the unaudited financial statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs. 32,908.38 Lacs as at March 31, 2015. Total revenues (net) of Rs. 3,522.10 Lacs and net cash flows amounting to Rs. (238.55 Lacs) for the year ended on that date. These unaudited financial statements have been certified by the respective Boards of Directors of these companies have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of subsidiaries is based solely on such certified unaudited financial statements.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order') based on the comments in the Auditors' Reports of the Holding company and subsidiary companies, we give in the annexure a statement on the matters specified in paragraphs 3 & 4 of the order, to the extent applicable.



11. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
 - c. ~~The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.~~
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the holding company and the subsidiary companies as on March 31, 2015, and taken on record by the Board of Directors of holding company and its subsidiaries companies, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2015 on the consolidated financial position of the group.



- ii. The Company has made provision as at March 31, 2015 in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies during the year ended March 31, 2015.

For D. M. JANI & CO.

FRN : 104047W

Chartered Accountants



Place : Mumbai

Date : 28th May, 2015.

DILIP M. JANI

Proprietor

Membership No. 17259

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS

As stated in Para 1 ' Report on Other Legal and Regulatory Requirement in our Auditors' report of even date, the following statement is based on the comments in the Auditors reports on the Consolidated financial statements of the Holding Company and subsidiary companies.

1. In respect of fixed assets : of the Holding Company and Subsidiary Companies

a) The Holding Company does not have physical fixed assets except capital work in progress and its subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management of the its subsidiary companies in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

2. There was no inventory lying in the Holding Company and its subsidiary companies as on 31st march 2015 and accordingly, the provisions of Clauses 2 of Para 1 of the Report on Other Legal & Regulatory Requirement are not applicable to the company.

3. The Holding Company, its subsidiary companies have granted and taken unsecured loans, to and from companies, firms or other parties covered in the register maintained by it under Section 189 of the Act.

(a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(b) In respect of the aforesaid loans and interest thereon, there is no overdue amounts.

4. In our opinion, and according to the information and explanations given to us by the management of the respective companies, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the

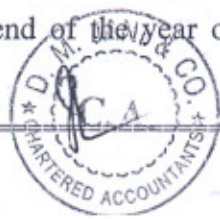


purchase of inventory and fixed assets and for the sale of goods and services and we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system of these companies.

5. In our opinion and according to information and explanations given to us, the Holding Company and its subsidiary companies has not accepted any deposits from the public, therefore, paragraph 1 (v) of the order is not applicable.
6. In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

7. In Respect of Statutory dues :

- a) According to the information and explanation given to us in respect of Holding company and its subsidiary companies, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
 - b) According to the information and explanations given to us, in respective companies, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
 - c). According to the information and explanations given to us and on the basis of the examination of the records of the Holding Company and its subsidiary companies no amounts required to be transferred by the companies to Investors Education and Protection Fund.
8. The subsidiary companies have accumulated losses at the end of year on a standalone basis and has incurred cash losses on a standalone basis in the immediately preceding financial year and during the financial year. The Holding company do not have any accumulated losses at the end of the year on a standalone basis and have



incurred cash losses on a standalone basis during the year and there was no cash losses incurred by the Holding company in the immediately preceding financial year. On a consolidated basis, the Holding company and its subsidiary companies have accumulated losses at the end of the year and have incurred cash losses during the year and have also incurred cash losses in the immediately preceding financial year.

9. In our opinion and according to the information and explanations give to us, the Holding Company and its subsidiary companies have not defaulted in repayment of dues to a financial institutions and Banks.
10. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Holding company has given the guarantees for loan taken by its Subsidiary and its Holding Company from Banks is not prejudicial to its interest.
11. In our opinion and according to the information and explanations given to us, The Holding Company and its Subsidiary companies have raised term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
12. During the course of our examination of the books and records of the Holding Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and the other auditors, in respect of subsidiaries, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For D. M. JANI & CO.

FRN : 104047W

Chartered Accountants

C.A.



DILIP M. JANI

Proprietor

Membership No. 17259

Place : Mumbai

Date : 28th May, 2015.

Valecha Infrastructure Limited

Consolidated Balance Sheet as at 31-03-2015

(Amount in INR)

Particulars		Note No	As at 31st Mar, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a)	Share capital	1	5,00,000	5,00,000
(b)	Reserves and surplus	2	(44,81,98,535)	(29,47,22,111)
Minority Interest			(13,02,36,321)	(7,63,15,079)
2 Non-current liabilities				
(a)	Long-term borrowings	3	3,48,39,66,136	3,10,61,38,149
(b)	Deferred tax liabilities (Net)	4	3,79,99,440	5,18,54,665
3 Current liabilities				
(a)	Short-term borrowings	5	1,36,93,08,910	1,67,13,81,396
(b)	Trade Payables	6	1,52,99,997	1,66,95,622
(c)	Other current liabilities	7	7,39,63,207	8,02,30,603
TOTAL			4,40,26,02,834	4,55,57,63,245
II. ASSETS				
1 Non-current assets				
(a) Fixed assets				
(i) Tangible assets				
	(i) Tangible assets	8	25,86,268	45,34,985
	(ii) Intangible assets		3,12,56,61,670	3,30,80,05,179
	(iii) Capital work-in-progress		20,05,45,469	14,62,03,361
(b) Non-current investments				
	(b) Non-current investments	9	83,26,26,242	83,26,26,242
2 Current assets				
(a)	Cash and cash equivalents	10	15,03,39,443	16,92,60,069
(b)	Short-term loans and advances	11	8,48,23,683	8,66,92,018
(c)	Other Current Assets	12	60,20,059	84,41,392
TOTAL			4,40,26,02,834	4,55,57,63,245

The notes form an integral part of these financial statements

per our report of even date

For D.M.JANI & Co.

Chartered Accountants

[Signature]



Dip.M.Jani
Proprietor

Office : Mumbai.

Date : 28th May, 2015.

[Signature]
Director

For and on behalf of the Board

[Signature]
Director

Valecha Infrastructure Limited

Consolidated Statement of Profit & Loss for the year ending 31-03-2015

(Amount in INR)

Particulars		Note No	As at 31st March, 2015	As at 31st March, 2014
I.	Revenue from operations	13	34,10,81,395	36,20,27,305
II.	Other income	14	1,14,79,452	1,64,79,618
III.	Total Revenue (I + II)		35,25,60,847	37,85,06,923
IV.	Expenses:			
	MPRDC Premium		1,16,92,013	1,11,35,250
	Employee Benefit Expenses	15	43,91,859	79,99,801
	Financial Cost	16	34,22,36,918	34,56,17,442
	Depreciation / Amortisation		18,45,06,416	18,29,89,567
	Other expenses	17	3,09,86,532	2,20,48,879
	Total expenses		57,38,13,738	56,97,90,939
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(22,12,52,891)	(19,12,84,016)
VI.	Exceptional items			
VII.	Profit / (Loss) before extraordinary items and tax (V - VI)		(22,12,52,891)	(19,12,84,016)
VIII.	Extraordinary Items			
IX.	Profit / (Loss) before tax (VII- VIII)		(22,12,52,891)	(19,12,84,016)
X.	Tax expense:			
	(1) Current tax			
	(2) Deferred tax		(1,38,55,225)	(1,34,06,277)
XI.	PROFIT / (LOSS) FOR THE YEAR (BEFORE ADJUSTMENT FOR MINORITY INTEREST) (V - VI)		(20,73,97,666)	(17,78,77,739)
	Add : Share of Loss Transfer to Minority Interest		5,39,21,242	4,73,69,179
	PROFIT / (LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (VII + VIII)		(15,34,76,424)	(13,05,08,560)
XII.	Earnings per equity share:			
	(1) Basic		(3,070)	(2,610)
	(2) Diluted		(3,070)	(2,610)

The notes form an integral part of these financial statements

As per our report of even date
For D.M.JANI & Co.
Chartered Accountants

Dilip.M.Jani
Proprietor
Place : Mumbai.
Date : 28th May, 2015.



For and on behalf of the Board


Director


Director

Valecha Infrastructure Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2015

	As at 31.03.2015	As at 31.03.2014
A Cash flow from Operating Activity		
Profit Before Tax and Extraordinary Item	(22,12,52,891)	(19,12,84,016)
Add / (Deduct) Adjustment for :		
Interest Received	1,11,29,452	1,21,34,498
Dividend on Investment		43,45,120
Operating Profit before working capital changes	(21,01,23,439)	(17,48,04,398)
Trade and other Receivable	42,89,667	(1,13,99,312)
Trade and other Payables	(76,63,021)	3,94,45,827
Net Cash Flow from Operating Activity	(21,34,96,793)	(14,67,57,883)
B Cash Flow from Investing Activity		
Interest Received	(1,11,29,452)	(1,21,34,498)
Dividend on Investment		(43,45,120)
Tangible Assets	19,48,717	1,68,517
Intangible Assets	18,23,43,509	18,23,43,509
Capital work in progress	(5,43,42,108)	(62,79,744)
Net Cash flow From Investing Activity	11,88,20,666	15,97,52,664
C. Cash Flow from Financing Activities		
Proceeds from borrowings	7,57,55,501	* (1,00,75,493)
Net Cash From Financing Activities	7,57,55,501	(1,00,75,493)
Net Increase in Cash and Cash Equivalents	(1,89,20,626)	29,19,288
Opening Balance of Cash and Cash Equivalents	16,92,60,069	16,63,40,781
Closing Balance of Cash and Cash Equivalents	15,03,39,443	16,92,60,069

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants



Dilip.M.Jani

Proprietor

Place : Mumbai.

Date : 28th May, 2015



For and on behalf of the Board



Director



Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2015

Note 1: Long-term borrowings		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
(I) Authorised Share Capital			
20,00,000 Equity Shares of Rs 10 each		2,00,00,000	2,00,00,000
10,00,000 Preference Shares of Rs 10 each		4,00,00,000	4,00,00,000
		6,00,00,000	6,00,00,000
(II) Issued Share capital			
50,000 Equity Shares of Rs 10 each		5,00,000	5,00,000
	Total	5,00,000	5,00,000
(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period			
Opening no. of Shares-	50,000 Equity Shares of Rs 10.00 each allotted as fully paid	5,00,000	5,00,000
Issued during the period-	Nil		
Outstanding at the end of the period-	50,000 Equity Shares of Rs 10.00 each allotted as fully paid	5,00,000	5,00,000
(IV) Share Holding Pattern-Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary Company :			
Valecha Engineering Limited (Holding Company) - C. Y. 50,000 Equity Shares of Rs 10 each (P. Y. 50,000 Equity Shares of Rs 10 each) - 100 % Holding			
(V) Terms / Rights attached to Shares:			
(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.			
(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			

Note 2: Reserves and surplus		31-03-2015	31-03-2014
		(Amount in INR)	(Amount in INR)
Security Premium account		7,31,12,000	7,31,12,000
(ii) Profit & Loss A/c			
Opening Balance	(36,78,34,111)		(23,73,25,551)
Profit/(Loss) for the year	(15,34,76,424)	(52,13,10,535)	(13,05,08,560)
	Total	(44,81,98,535)	(29,47,22,111)

Note 3: Long-term borrowings	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
Compulsory Convertible Debenture (Unsecured) Compulsory Convertible Debenture are to be converted into Equity Shares	18,31,00,000	18,31,00,000
Term Loan		
Secured :		
(i) From Banks (BOT Project Finance) (Term Loans are Secured by first pari passu charge on the moveable/ immovable assets and all intangible assets by way of mortgage/ hypothecation, and first charge on rights and interest in project, present and future and by way of pledge of shares of the company by VIL)	2,61,54,31,391	2,71,17,00,000
(ii) From Banks - Other Term Loans (Term Loans against the Pledge of shares & immovable property)	50,00,00,000	7,25,00,000
Unsecured :		
Loans & Advances from related parties	18,54,34,745	13,88,38,149
Total	3,48,39,66,136	3,10,61,38,149

Note 4: Deferred tax liabilities (Net)	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
Deferred Tax Liabilities	3,79,99,440	5,18,54,665
Total	3,79,99,440	5,18,54,665

Note 5: Short-term borrowings	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
Current Maturity of Long Term Debt-Bank	13,20,00,000	6,88,00,000.00
Loans & Advances from related parties Unsecured	1,23,73,08,910	1,60,25,81,396
Total	1,36,93,08,910	1,67,13,81,396

Note 6: Trade Payables	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
Other than acceptances	1,52,99,997	1,66,95,622
Total	1,52,99,997	1,66,95,622

Note 7: Other current liabilities	31-03-2015	31-03-2014
	(Amount in INR)	(Amount in INR)
Other Payables		
a Statutory Remittances	16,56,317	1,35,616
b Others	7,23,06,890	8,00,94,987
Total	7,39,63,207	8,02,30,603

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2015

Note 8: Fixed Assets								
Details	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2014	Additions/ (Disposals)	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the Period	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 1 April 2014
(I) Tangible Assets								
Land - Freehold	6,90,825		6,90,825			-	6,90,825	6,90,825
Plant and Equipment	6,37,800	47,906	6,85,706	1,02,876	1,29,611	2,32,487	4,53,219	5,34,924
Furniture and Fixtures	3,13,450		3,13,450	48,148	37,005	85,153	2,28,297	2,65,302
Vehicles	5,79,643		5,79,643	1,13,681	93,192	2,06,873	3,72,770	4,65,962
Computer	21,58,068	1,66,284	23,24,352	6,03,270	15,95,545	21,98,815	1,25,537	15,54,798
Office equipment	10,96,705		10,96,705	73,531	3,07,554	3,81,085	7,15,620	10,23,174
Total	54,76,491	2,14,190	56,90,681	9,41,506	21,62,907	31,04,413	25,86,268	45,34,985
(II) Intangible Assets								
Concessionaire Right	3,69,31,70,350	-	3,69,31,70,350	38,51,65,171	18,23,43,509	56,75,08,680	3,12,56,61,670	3,30,80,05,179
Total	3,69,31,70,350	-	3,69,31,70,350	38,51,65,170.53	18,23,43,509	56,75,08,680	3,12,56,61,670	3,30,80,05,179
(III) Capital Work in Progress	14,62,03,361	5,43,42,108	20,05,45,469				20,05,45,469	14,62,03,361

Note : No Depreciation is charged on Freehold Land.

Note 9: Non-current investments	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Investment (at Cost - Fully Paid)		
b Investment in Equity Shares of other entity - Quoted		
i Investment in Jyoti Structures Limited (54,31,400 Equity Shares Face Value of Rs 2 Each)	83,26,26,242	83,26,26,242
Total	83,26,26,242	83,26,26,242
Market value of quoted investments	13,95,86,980	17,48,91,080

Note 10: Cash and cash equivalents	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Cash on Hand	27,09,375	-28,62,071
(II) Balances with Banks		
In Escrow Accounts	39,716	1,39,74,912
Balance held as DSRA deposit	13,61,90,846	13,90,77,655
Interest Accrued on Bank Term Deposit	20,41,881	20,46,281
(III) Balances with Banks (In Current Accounts)	93,57,625	1,12,99,151
Total	15,03,39,443	16,92,60,069

Note 11: Short-term loans and advances	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Loans & Advances to related parties	7,34,10,345	7,52,31,747
(II) Security Deposits	79,000	79,000
(III) Prepaid Expenses	2,27,060	2,73,993
(IV) Balances with Govt Authorities	1,11,07,278	1,11,07,278
Total	8,48,23,683	8,66,92,018

Note 12: Other current assets	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Unamortised Expenses		
Preliminary Expenses	6,06,503	10,67,695
(II) Other		
TDS Receivable	54,13,556	73,73,697
Total	60,20,059	84,41,392

Note 13: Revenue From Operations	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Revenue From Toll Collection	24,21,81,395	26,26,27,305
(II) Annuity Income	9,89,00,000	9,94,00,000
Total	34,10,81,395	36,20,27,305

Note 14: Other income	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Income from Dividend		43,45,120
(II) Interest Income	1,11,29,452	1,21,34,498
(III) Consultancy Fees Recd.	3,50,000	
Total	1,14,79,452	1,64,79,618

Note 15: Employee Benefit Expenses	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Salaries & Wages	37,33,719	67,44,614
(II) Contribution to Provident Fund	2,51,670	4,61,482
(III) Others	4,06,470	7,93,705
Total	43,91,859	79,99,801

Note 16: Finance costs	31-03-2015 (Amount in INR)	31-03-2014 (Amount in INR)
(I) Interest Expense on Borrowings	34,22,36,918	34,56,17,442
Total	34,22,36,918	34,56,17,442

Note 17: Other Expenses	31-03-2015	31-03-2014
(I) Business Promotion	55,050	11,000
(II) Communication	52,025	71,594
(III) Insurance	1,36,813	7,67,992
(IV) Legal & Professional Fee	34,35,041	38,48,917
(V) Postage & Telegram	2,056	-
(VI) Power & Fuel	13,52,093	22,37,097
(VII) Printing & Stationery	8,099	2,24,941
(VIII) Rates & Taxes	4,33,491	6,38,164
(IX) Repair & Maintenance	48,95,556	40,13,767
(X) Security Expenses		16,60,978
(XI) Travelling & Conveyance	9,40,087	3,85,435
(XII) Toll Operator Fees	1,67,39,661	55,24,755
(XIII) Payment to Auditors	2,97,754	2,69,664
(XIV) Sundry Operational Expenses	14,78,516	16,83,881
(XV) User fee to MPRDC		2,47,994
(XVI) Preliminary Exp W/O	4,61,192	4,61,192
(XVII) Toll Collection System - AMC	3,74,533	-
(XVIII) Other Expenses	3,24,565	1,509
Total	3,09,86,532	2,20,48,879

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT 31st MARCH, 2015

(18) Significant Accounting Policies:

A. Consolidation of Accounts

- a. The consolidated financial statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statement issued by Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the Financial Statements of Valecha Infrastructure Limited (Holding Company) and its Subsidiary Companies.
- b. The share of Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated financial statement separately.
- c. The List of Subsidiaries included in the consolidated financial statements are as under.

Sr. No.	Name of the subsidiary company	Country of Incorporation	As at 31.03.2015		As at 31.03.2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	Valecha LM Toll Pvt. Ltd.	India	74%	74%	74%	74%
2	Valecha Badwani Sendhawa Toll Ways Ltd.	India	74%	74%	74%	74%

B. Investments:

Investments other than subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investment"

C. Other Significant Accounting Policies:

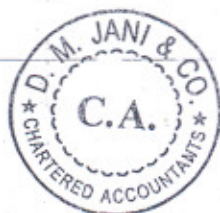
These are set out under "Significant Accounting policies" as given in the Company's Separate Financial Statements.

- D. The previous years' figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For D. M. JANI & CO.
Chartered Accountants

DILIP. M. JANI
Proprietor
Place : Mumbai
Date : 28th May, 2015.



Director



Director